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January 8, 1988

Mr. Frank Filas
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
355 West North Temple
Three Triad Center - Suite 350
Salt Lake City, UT 84180-1203

RECEIVED
JAN 11 1988

DIVISION OF
OIL, GAS & MINING

Re: Mining and Reclamation Plan
M/027/008-(86)1 - Crystal Peak
Minerals Corporation, Sevier
Lake Project, Millard County,
Utah

Dear Frank:

In accordance with our telephone conversation today, enclosed is revised Reclamation Cost Estimate to be substituted for the estimate presently attached to the Notice of Intention to Revise Large Mining Operations and Mining and Reclamation Plan dated December 4, 1987. The revised estimate reduces a portion of the credit allocable to the completed reclamation of the Borrow area on 1987 activities.

Our understanding of the reason for the requested revision is that until such time as a site inspection occurs on the reclamation of the Borrow area and the success of the reclamation can be confirmed, it is necessary to retain a portion of the Bond allocable to that activity. Hence, the restoration to the estimated total reclamation of the sum of \$2,831.00.

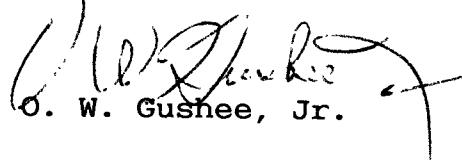
Also, in accordance with your request, I have prepared and enclose an excerpt taken from page 6 of the narrative on the 1988 Mining Plan attached to the Notice of Intention of December 7, 1987 dealing with the proposed reclamation.

As noted in a recent telephone conversation with Lowell, Crystal Peak is anxious that approval of the amendment of 12/7/87 to 00/027/008-(86)1 be coordinated with the Board approval of

Mr. Frank Filas
January 8, 1988
Page two

Crystal Peak's reclamation bond. It is possible to perform work in the Dry Lake area all-year-around and Crystal Peak intends to move ahead on the 1988 plan as quickly as possible.

Very truly yours,



O. W. Gushee, Jr.

OWG:ka
1089.07
Enclosures

cc: Larry Sower
Murray Godbe
Bill Clarke
Lowell Braxton

CRYSTAL PEAK MINERALS CORPORATION

P.O. Box 100
Milford, Utah 84751
801/634-7038

Reclamation Cost Estimate

1987 - 1988 Construction Activities
Sevier Lake Project
PRO/027/008-86(1)

1987 Activities (Approved Action)

A - Borrow Area, grade and contour	\$ 1,100.00
B - Borrow Area, revegetate	6,800.00
C - Dike Reclamation	20,000.00
D - Water Well Plugging (2 wells)	5,000.00
E - Campsite Reclamation	3,500.00
10% Contingency	<u>3,500.00</u>
Total	\$38,900.00

Less Completed Reclamation

A and B - Borrow area now graded, contoured, re-seeded	5,400.00
D - Water well successfully completed. Per lease stipulations BLM will assume well at completion of project	2,500.00
Less part of 10% contingency	<u>900.00</u>
Revised total reclamation cost on existing works	\$30,100.00

Revised 1/8/88

Reclamation Cost Estimate, Continued:

Planned 1988 Activities (Refer to 1988 Mining Plan)

A - Reclamation of planned 1988 dikes and collection ditches	\$ 82,200.00
B - Reclamation of pilot pond system	1,700.00
10% Contingency	<u>8,400.00</u>
Total	\$ 92,300.00

Combined Reclamation Surety required for CPMC

1987 Construction	\$ 30,100.00
1988 Construction	<u>92,300.00</u>
Total (1988 Dollars)	\$122,400.00
Total (1993 Dollars)*	\$135,169.00

*(Escalation for 5 years @ 2%/year)

Revised 1/8/88

EXCERPT

Taken from Page 6 of
CRYSTAL PEAK MINERALS CORPORATION
SEVIER LAKE PROJECT - 1988 MINING PLAN

Reclamation

Eventual reclamation of the dikes and ditches on the lake bed will be accomplished by either, 1) breaching and natural erosion if the lake level is high or, 2) physically leveling the works with a high flotation bulldozer if the lake is dry.

Estimated reclamation costs for the 2nd procedure are:

D-6 Cat, side track @ \$70/hr. @ 1000/ft/day of dike or ditch	=	\$ 82,200.00
Level test ponds by same method 24 hrs. @ \$70/hr	=	1,700.00
Contingency @ 10%	=	<u>8,400.00</u>
Total		\$ 92,300.00

Reclamation bonding will be posted pursuant to regulations of the State of Utah Division of Oil, Gas and Mining.